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STATE FOR NEA/ARP (MASILKO), NEA/RA (SCOVITCH), AND EEB/TPP/MTAA
(RYAN)
STATE PLEASE PASS USTR (BUNTIN)
USDA (JON ANN FLEMINGS AND PETER TABOR)

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SUBJECT: UAEG ON PROPOSED GCC FOOD IMPORT PROCEDURES

REF: 08 SECSTATE 134461

¶1. (SBU) Summary: Econ and Agriculture officers raised reftel talking points on GCC food import requirements with Ministry of Foreign Trade Director of Trade Negotiations and WTO Department Juma al Kait, who said that the UAEG was committed to adhering to its WTO commitments and that he would raise U.S. concerns at an upcoming GCC meeting on WTO issues. He also noted that the requirements can be amended, despite previous approval by the GCC Council of Ministers. EmbOffs also raised related trade issues such as biotech labeling, legalization of export documents, Halal fees and GCC WTO notification procedures. UAE food safety officials indicate that they are now planning to implement the new GCC food import procedures on a year-long trial basis starting in June of 2009. The next meeting of the GCC Food Safety Committee is scheduled for February 22-23 in Dubai, UAE. End Summary.

¶2. (SBU) EconOff and Agriculture Trade Office Director (ATO) met with Ministry of Foreign Trade Director of Trade Negotiations and WTO Department Juma al Kait on January 11 to raise reftel points concerning Gulf Cooperation Council (GCC) Food Safety Committee efforts to harmonize food import procedures. Al Kait indicated that he had been in touch with regulatory officials in the UAE who indicated that there were no imminent plans to implement the new requirements. He noted that he understood that food regulators were reviewing the foreign comments and considering revisions to the proposed import requirements. (Comment: This squares with information from the UAE General Secretariat of Municipalities who indicate that the Food Safety Committee will meet again from February 22-23 to review foreign comments. Regulators indicate that they are now considering a year-long trial implementation of the requirements beginning in June of 2009; after which the requirements would be revised based on lessons learned during the phase-in. End Comment.)

¶3. (SBU) ATO Director noted that some officials in the region seemed concerned that prior approval of the requirements by the GCC Council of Ministers (something that happened prior to the WTO notification) was lending a sense of urgency to the implementation process. Al Kait said that the regulations could and should be changed if inconsistent with the UAE's WTO commitments. He stated that the UAE is firmly committed to honoring its WTO commitments and promised to raise the issue at a meeting of GCC WTO officials January 12-14 in Riyadh.

¶4. (SBU) ATO Director provided a copy of the USG November 2009 letter to the GCC Secretariat regarding specific USG concerns and promised to provide the comments on the "Bahrain 8" WTO notification. EmbOffs noted that there were issues related to the regionalization of disease outbreaks and rigid certification requirements in addition to aspects of the document that were problematic for U.S. regulators specifically. EmbOffs also stated other foreign governments had raised concerns via the WTO comment process and stressed that the USG urged GCC officials to align the

document with the provisions of the WTO SPS agreement and WTO reference body guidelines. Al Kait said that the UAE did not want to disrupt trade, but noted that certain situations, such as the recent detection of melamine in Chinese dairy products, require proper reaction from foreign regulators. ATO Director stressed that guidelines and procedures exist for regulating exceptional food safety situations and attempting to anticipate every eventuality in the more routine unified procedures could be contributing to some of the document's complexity.

15. (SBU) Al Kait seemed somewhat surprised that only Bahrain and Oman had notified the WTO of the unified import procedures. EmbOffs said that we understood that Bahrain had notified the WTO on behalf of the GCC, but EconOff noted that GCC members are required to individually notify the WTO. As the GCC is not a member of the WTO, each GCC member is obliged to notify individually. Al Kait replied that he was aware of cases outside the GCC where a single country had notified the WTO on behalf of others in a region or group and questioned whether the practice was inconsistent with WTO procedures. He also noted that not all notifications apply to all GCC members. EconOff promised to obtain further information about USG understanding of WTO notification requirements.

16. (SBU) Al Kait asked if the USG had raised concerns about the cost associated with the legalization of U.S. export documents. EmbOffs replied that this issue was raised as part of our comments on the unified import procedures and continues to be costly and time consuming for U.S. exporters, a process particularly problematic for exports of perishable food products. (Comment: Eliminating the requirement to legalize documents, whether by GCC diplomatic missions or Arab American chambers of commerce, would serve to simplify the export process. Food exporters are charged as much USD

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600 per document and often face two-week delays in obtaining the required legalization. End Comment.)

17. (SBU) Al Kait asked if there were any issues related to genetically modified (biotech) foods and the unified import procedures. EmbOffs indicated that this was not an issue, but asked if he had any specific concerns about biotech crops or foods. Al Kait said that some of European countries had stressed the importance of labeling biotech foods, arguing that consumers have a right to know what they are eating. ATO Director provided a brief overview of the concept of substantial equivalence, the U.S. and Codex positions on labeling, recent ATO biotech outreach efforts in the GCC and the rapid adoption of biotech crops in certain corn and soybean exporting countries. EmbOffs further stressed the importance of looking to Codex for guidance on this issue and offered to provide additional information if desired. (Comment: GCC standards and food safety officials are in the early stages of developing a biotechnology regulatory framework. Al Kait's question seemed to stem from a general interest in understanding the U.S. position on biotech labeling and did not appear to be motivated by a more specific UAE or GCC effort to develop labeling requirements. End Comment.)

18. (SBU) EmbOffs also raised the longstanding issue of Halal fees, indicating that the ATO had asked USTR to determine if there were WTO issues associated with the UAE policy of charging U.S. slaughter plants and Halal certifiers an annual service fee. Al Kait seemed to be aware of the issue, but did not comment further. (Comment: ATO has provided a variety of background materials to USTR and USDA on this issue. Post appreciates USTR's interpretation as to whether the fees are consistent with WTO provisions. End Comment.)

19. (SBU) Comment: It appears that GCC food safety officials continue to grapple with how to bring the new import procedures into line with international guidelines. The initial preparation of the document reportedly took four years, and implementation, if only on a trial basis, will now likely be at least 18 months from the target date of January 2008. We continue to sense that UAE food safety officials are leaning towards a trial implementation followed by a reworking of the requirements based on lessons learned. While such an approach could be confusing and problematic for exporters, the USG should begin to think about how we would pursue flexible

implementation, assuage exporter concerns and seek a well defined opportunity for comment and eventual revision. Continued involvement with trade officials and stressing the WTO inconsistencies will likely be key to helping guide the actions of the food safety committee. End Comment.
OLSON